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STATE FOR ISN/CB, VCI/CCB, L/ACV, IO/S
SECDEF FOR OSD/ISP
JOINT STAFF FOR DD PMA-A FOR WTC
COMMERCE FOR BIS (GOLDMAN)
NSC FOR DICASAGRANDE
WINPAC FOR WALTER

E.O. 12958: N/A

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SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): SCENESETTER FOR
47TH EXECUTIVE COUNCIL SESSION, NOVEMBER 7-10

This is CWC-96-06.

SUMMARY

¶1. (U) If Iran elects to be reasonable and not block consensus, it should be possible to get agreement on three critical issues at EC-47: the U.S. extension request, the 2007 OPCW budget and the Director General's proposal for tenure reform. It will also be possible to approve a mechanism for payment of arrears and restoration of voting rights. While Iran's behavior up to this point on these (and other) issues has been typically unreasonable, their past practice has been to wait until the end of the EC to finally do a deal. That is entirely probable for this EC, especially on the budget. On Article VII, there is little indication that Iran, India and other NAM delegations will accept more than a bare-bones decision that will put off any serious discussion of national implementation to the December Conference of States Parties. End Summary.

EXTENSION REQUEST

¶2. (U) There have been no overtly critical statements regarding the U.S. request for an extension of the 100% destruction deadline, aside from the occasional Russian return to the argument that the U.S. has not submitted an "acceptable" destruction plan (read: which completes destruction by 2012). However, even the Russian delegation, when pressed on the issue, is not ready to say that this issue will cause it to object to the U.S. extension request.

¶3. (U) There has been general murmuring, however, among a large number of delegations that there needs to be a "discussion" of some type regarding the U.S. and Russian extension requests. Iran has flatly stated that "a lot of delegations" want to have an opportunity to thoroughly go over these requests before the EC. While we doubt that any other delegation would request deferral of the U.S. request, it is very likely that Iran would cite the excuse of insufficient discussion to defer the issue to a special EC to be held on the margins of the CSP. For that reason, the U.S.

delegation is working with the EC Chair (South Africa) to ensure some type of open discussion is held so that Iran in particular is deprived of this excuse. Delegation will be prepared to simply reiterate points on the U.S. destruction program, and provide clarification on the U.S. position on site visits and the draft decision language, but not/not enter into a drafting exercise.

¶4. (U) Del has been bilaterally engaging other delegations (primarily EC members) to gauge the level of concern going into, and possible outcome at, EC-47. Among WEOG delegations, comments regarding the U.S. request have been of the "what are we doing with the extension requests?" nature referenced above. WEOG and Eastern European concern tends to focus more on the Russian destruction program and extension request. There is a general, slightly paradoxical expectation that the U.S. is "read in" on Russia's position -- paradoxical because although WEOG seems to expect the U.S. to take the lead in engaging Russia, delegations are also extremely sensitive about a U.S./Russia bilateral deal forced upon the EC at the eleventh hour. Del has repeatedly made the case for other delegations engaging Russia on this topic, particularly regarding site visits.

¶5. (U) Outside of WEOG, other groups are generally supportive, but slightly more adamant that member states should devote more time to discussing CW destruction, and that there is currently an imbalance in the Organization's focus (i.e. too much time spent on more "administrative" issues). Mexico in particular has noted that more discussion on CW destruction would be useful, not only prior to EC-47, but also in general. (Del comment: This could be significant, and gain support, if NAM delegations decide to press for additional transparency measures beyond site

visits.) Although delegations are also supportive of U.S. transparency, questions still remain (even in WEOG) as to why the U.S. made its announcement so early, and whether additional funding could not make a difference. Del recommends EC del members be prepared to reiterate answers previously provided to these questions. Non-WEOG delegations have also made it fairly clear that if the U.S. expects the EC to take a balanced approach on CW destruction, it will have to give careful thought to its approach on Article VII.

¶6. (U) Above all, regardless of stated positions, delegations across the regional groups are concerned with the implications the U.S. possible inability to meet 2012 might have for the credibility of the Convention. Del has pointed to draft decision "caveat" language to assure delegations that approving the extension request in no way indicates approval of U.S. CW destruction beyond 2012. However, it will be critical at EC-47 for all delegation members to emphasize the continuing U.S. commitment not only to CW destruction at the earliest possible date, but also to upholding the credibility of the CWC and preserving the OPCW's reputation as a "multilateral success story."

¶7. (U) With regard to the Russian extension request, there is no evidence that any delegation believes the Russian plan that completes destruction by 2012. However, with the exception of the UK and a few WEOG delegations, there is also little stomach on the part of any delegation to challenge the Russian assertions. Even in the informal discussion noted above (which the U.S. delegation will ensure is only held under the condition that both the U.S. and Russian requests are discussed), it is questionable whether the Russians will come in for a real grilling. Russia has recently exhibited greater flexibility regarding site visits, although Moscow is still standing firm in its refusal to refer to visits in its draft decision text. An advance copy of Russia's national paper on site visits has been provided to Washington. Of note is Russia's recommendation that site visits be imposed on all possessor states requesting an extension beyond April 2007, and its insistence that visits be prompted by limited "triggers," as opposed to a set frequency (a concept unlikely to see much support among advocates of site visits as an effective transparency measure).

2007 BUDGET

¶18. (U) With a proposed zero nominal growth budget, there has been little for delegates to discuss. That, however, has not stopped delegates from focusing in on two issues. The first is the DG's proposed increase of OCPF inspections from 90 to ¶130. A handful of NAM delegations, led by Iran and India, have objected to the proposal, even calling for this "policy change" to be considered in a separate facilitation. With WEOG delegations showing exceptional solidarity, the majority of delegations have held firm to the 130 proposal. Iran has already informally floated the idea that a restoration of some Schedule 1 and 2 inspections with a commensurate reduction in OCPF inspections down from 130 would probably be the compromise. In all likelihood, this will become the main negotiating issue at a widely-anticipated budget discussion on the evening of Nov. 9.

¶19. (U) The second issue is the NAM push for a greater increase in international cooperation and assistance. They have highlighted the fact that the bulk of the currently proposed increase comes from two P-2 positions in ICA that are focused on Article VII and actually fall under the authority of the Legal Advisor. Delegations have noted that the DG's proposed budget is actually less than ZNG, and that there are an additional few hundred thousand Euros that could be added to ICA and still keep the budget at ZNG. Again, this would be a card that could be played at the Nov. 9 evening budget discussion, although WEOG delegations have stressed that any additional funds must clearly be targeted for specific ICA programs (universality, Article VII). Finally, there has been the customary word-smithing from Iran, India and other delegations, all of which can be

resolved in what is clearly going to be a long evening session on Nov. 9.

TENURE REFORM

¶10. (U) There has been overwhelming support for the DG's proposal for modifying implementation of the tenure policy. Only Iran has explicitly stated that it has doubts about the initiative and may not be able to join consensus at the EC. (Note: The DG's response has been to inform Iran that if it vetoes the proposal, continuation of current policy will result in the departure of some 20 Iranian staff members of the Technical Secretariat. We do not interpret this to mean that the DG has promised not/not to separate any Iranians if Iran concurs on the proposal. It was simply intended by the DG to "clarify" what existing policy would mean for Iranian TS members.)

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¶11. (U) With regard to U.S. questions on the tenure proposal, the DG has made every effort to address those concerns. Chief of cabinet Rafael Grossi told us the DG has no problem agreeing to an annual report to the EC on the status of tenure implementation. Grossi also confirmed that the DG would also include OPCW laboratory experts along with the inspectorate and verification divisions as specific areas in which greater flexibility is needed to retain technical expertise. The DG has also sought to provide extensive data on the status of TS staff subject to tenure. Should Washington have additional questions regarding details of the DG's proposal, delegation urges that they be submitted expeditiously so that they can be answered. The goal is to have Iran isolated as soon as possible so that maximum pressure is exerted for them not to block consensus.

ARREARS/VOTING RIGHTS

¶12. (U) The co-facilitators will likely put forward an ad ref decision document on payment of arrears to the OPCW which addresses U.S. objectives. Iran again is the remaining hold-out. If Iran intends to block every issue at the EC, then this will also fall victim to that policy. However, the arrears issue does not have the significance of the other items noted above, so if the Iranians want to pick an item on which to be "reasonable," this may be the most likely candidate.

ARTICLE VII

¶13. (U) At the opposite end of the scale, national implementation has long been the issue on which NAM delegations have been least likely to be reasonable. Facilitator Maarten Lak (Netherlands) has put forward decision language that the U.S., UK and other WEOG delegations have tried to fatten up so that there is some negotiating leverage for end-game discussions with Iran, India and others in the NAM. To be frank, it is questionable whether there is a chance for consensus on anything but a lowest common denominator text noting the submission of the DG's report.

¶14. (U) At the Oct. 19 consultation, Iran highlighted the fact that the decision text addresses the issue of extending to 2007 the CSP-10 decision on Article VII. The Iranian delegate made clear that there is no decision in Tehran on this matter, and said that his personal view is that there should be no/no extension. All of which indicates that Iran and other NAM delegations want to keep Article VII on hold for a final decision at the December CSP, and the end result at EC-47 will be a bare-bones statement that punts the issue to the Conference.

OCPF SITE SELECTION

¶15. (U) There is no/no prospect of a decision on a new mechanism for OCPF site selection to be considered at the EC. The facilitator has distributed a proposal that still falls short of meeting U.S. requirements. However, it is important to highlight for Washington the movement that is taking place on this issue. Specifically, it appears at this point that only the U.S. and UK are wedded to the need for political nomination points. The EC may well be the venue at which delegations will press the U.S. and UK to reconsider the need for such points.

OTHER AGENDA ITEMS

¶16. (U) The following are the items on the annotated agenda (EC-47/INF.1, Oct. 18, 2006) using the internal numbering system in that document.

Item 3: DG's Opening Statement. Del will provide the text to Washington when it becomes available.

Item 4: General debate. Del has E-mailed to Washington a proposed statement by Amb. Javits.

Item 5: Status of implementation.

5.1: Verification Plan for Indian CWDF. As noted at 5.8 below, the facility agreement for the Indian CWDF has finally been completed and submitted for EC approval.

5.2: Amendments to the Verification Plan for Pine Bluff disposal facility.

5.3: Combined plan for the HD facility at Aberdeen. Combined

plan for verification and destruction of the former CWPF at Aberdeen is submitted to the EC more as a matter of procedure, as destruction of the one remaining building is complete and will be notified to the TS shortly.

5.4: U.S. Extension Request (discussed above).

5.5: Russian Extension Request (discussed above).

5.6: Albanian intermediate deadline extension request. After working to overcome significant confusion (caused in part by subsequent revisions of dates submitted in September) on both the extension request and draft decision, del has given the TS approval to distribute both documents as soon as possible.

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It has not escaped the notice of some delegations (Russia, Germany) that this request is being distributed after the expiration of Albania's original Phase 1 deadline of October 15, 2006. Del will work with the Albanian delegation to ensure GOA representatives are adequately prepared to answer questions at EC-47, and recommends preparing talking points for GOA delivery at the destruction informals. Despite some questions locally, del doubts the GOA will encounter significant obstacles to approval of its extension request, as any delays in its own program will likely be overshadowed by those in the U.S. and Russia.

5.7: Facility Agreement on the HD facility at Aberdeen. See 5.3 above.

5.8: Facility Agreement for Indian CWDF. Del has forwarded the Indian FA to Washington for review and comment. Expectation from discussions with the TS is that the FA tracks closely with the Model FA, with the exception of Attachment 2: Health and Safety Requirements and Procedures (details provided separately).

5.9-5.10: TS Note on amendments to the FA on Pine Bluff, submitted to the EC for approval.

5.11: Article VII (discussed above).

5.12: Universality. The EC is asked to note the TS report on the implementation of the Universality action plan. The facilitator may report orally on recent consultations.

5.13: Optimization of Verification. The EC is asked to note the TS note, which has not yet been distributed. Del has forwarded an advance copy of the sections pertaining to optimization at U.S. sites to Washington for review, but in general anticipates this will be a useful overview for delegations, many of whom lack the technical background to understand the implications of optimization simply through changes to facility agreements and verification plans. Unlike the VIR, this document will apparently go into greater detail on optimization efforts in all possessor states (with the exception of Libya).

5.14: DG's Note on Readiness of the TS to conduct a Challenge Inspection. The document was distributed shortly before the July EC and delegations had deferred the item in order to have more time to consider it.

5.15: Schedule 3 Transfers. At EC-46, the EC was asked to approve a draft decision. This was done based on the negotiations of a small group of delegations and as an attempt to conclude this issue before the anticipated departure of the facilitator. This move by the facilitator was resented by some delegations and not likely to be repeated unless consensus is achieved in advance. The U.S. remains isolated in insisting that additional changes need to be made in the draft text. Iran opposed U.S.-proposed changes during the September Industry Cluster meetings, and this is expected to happen again in the next round of meetings. Given that U.S. guidance has not changed on this issue, no progress is expected at this EC.

5.16: Steve Wade (UK) will brief the EC on progress made on Schedule 2A/2A*.

5.17: DG's Note on Two Items of Approved Inspection Equipment. The DG issued the note (EC-47/DG.3, 6 September 2006) and if there are no comments, received within 60 days, the EC will be asked to approve the proposed revisions.

5.18: 2005 Verification Implementation Report. The EC is asked to consider the 2005 VIR and supplement, and note the comments received on the document as well as the Chair's summary of the consultations (the document has yet to be issued). Del has already noted U.S. appreciation for the accuracy and consistency of the 2005 VIR in informal consultations. An initial review of the Corrigendum and TS Response to U.S. Written Comments indicates almost all issues have been addressed, with the exception of several numerical discrepancies on which the U.S. and TS may in the end agree to disagree.

Item 6: Lists of New Validated Data. This document has been out since August 2005 and continuously deferred by Iran and India. Delegation will continue pressing both to finally join consensus.

Item 7: OPCW Office in Africa. Facilitator Andres Rugeles (Colombia) held discussions on his new proposal for a non-permanent presence that piggy-backs onto a UN or African Union office in Africa. African delegations have held firm on the request for a permanent office. Rugeles has said he will continue assessing his options and looking at other UN or AU offices. He will provide an oral report to the EC.

Item 8 - Administrative and Financial Matters.

8.1: 2007 Budget (discussed above).

8.2: Medium-Term Plan. Should be noted by the EC, but Iran has indicated that they will ask that it be received as they were not able to push through any of the many editorial changes they would like.

8.3-8.5: Arrears (discussed above).

8.6: DG's Note on Implementation of the Office of Internal

Oversight Recommendations. Because Iran has not been willing to name a facilitator on this issue, no consultations were held on the report. Some delegations may, therefore, push for deferral of the item.

8.7: DG's note on Implementation of External Auditor's Recommendations. As it has not been distributed yet or discussed in consultations, this may be deferred.

8.8: Tenure Policy Modification (discussed above).

8.9: Report of Security Audit Team IV. The DG's note on the report of SAT IV has yet to be distributed, so there once again may be deferral of this item.

8.10: The DG's Report on Income and Expenditure for the period up to June 30. Will likely be noted by the EC.

8.11: The DG's report on Income and Expenditure for the period up to September 30 and use of the Working Capital Fund. The document has yet to be distributed, but could be noted if distribution is not too close to the EC.

Item 9: Host Country Committee. The DG's draft decision with a recommendation (required under the decision at CSP-10) to the CSP on whether to establish a Host Country Committee has yet to be distributed. The DG has given Deputy DG Freeman responsibility for this issue, and del will stay in touch with the DDG's office on what he intends to recommend. The anger of delegations with the Dutch as host country has diminished substantially, and meetings of the working group

with the Dutch MFA have become more infrequent. However, a number of points of friction remain (particularly treatment by Dutch police and security officials at Schiphol). As a result, while the DDG probably does not want to establish a committee, he certainly will need some mechanism to channel the discontent of a small, but influential group of Ambassadors.

Item 10: Privileges and Immunities.

10.1: Agreement with Burkina Faso.

10.2: Agreement with Uruguay.

Item 11: Report by the EC on performance of its activities from July 2005 to July 2006. Should be approved by the EC.

Item 12: EC Sessions in 2007. The DG submitted his work plan for 2007 (EC-47/DG.6, October 4, 2006) and the EC is asked simply to review the number and length of EC sessions in light of this plan. This agenda item will also be the opportunity to raise from the floor the proposal to hold the 2008 CSP in December. (The World Forum/Congress Center is unavailable in December 2007.) Ambassador Khodakov, the head of the Policy-Making Organs, has stressed that only the CSP can make a decision about CSP dates, so it would be necessary to raise this issue at EC-47 so that it could be considered at CSP-11. At present, the TS has a reservation for the week of November 3-7, 2008 for the CSP. It has an alternate booking, constituting a second option, for December 2-5. As with CSP-11, it would entail a four-day Conference due to an ICC event held the preceding week. If Washington wishes to have a sequence in 2008 of four EC sessions followed by a December CSP (not forgetting a Second RevCon in April), it will be necessary for the U.S. to raise this issue from the floor under this agenda item.

Item 13: Any other business. Del knows of no items at this time that will be raised under this agenda item.

¶17. (U) Javits sends.
SCHOFER